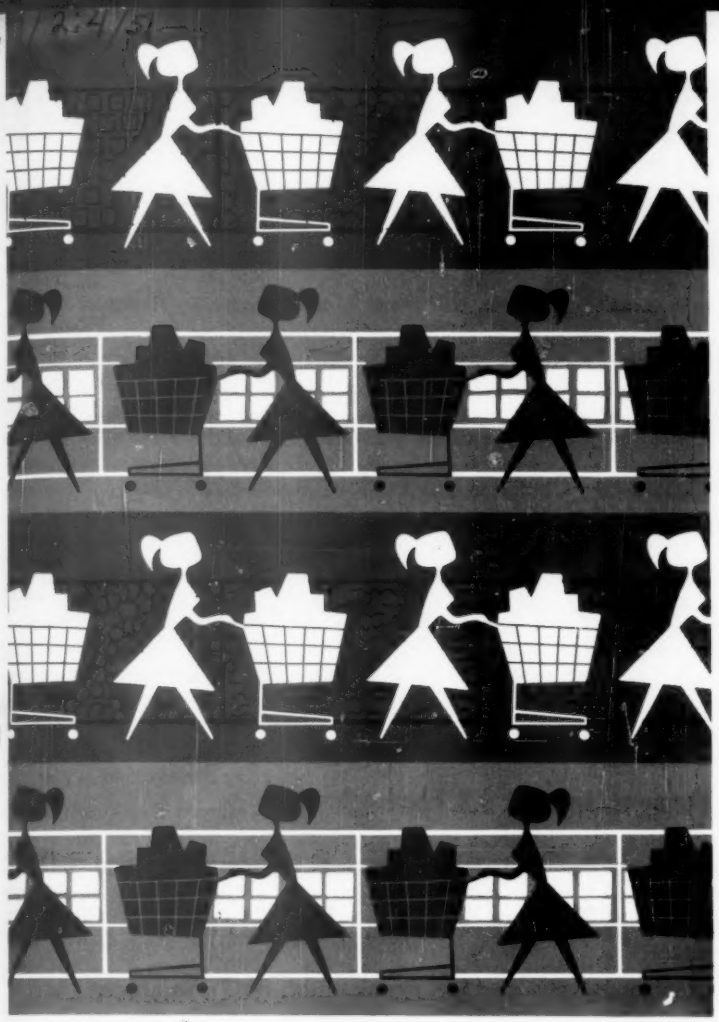

DECEMBER 19, 1966

1966 A BANNER YEAR
FOR SOVIET AGRICULTURE

OUR COMMISSARIES OVERSEAS

FOREIGN MARKET FOR POULTRY

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Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

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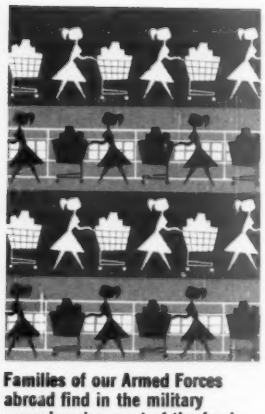

Families of our Armed Forces abroad find in the military commissaries most of the foods that they are used to buying at home. Article on page 5 tells how these stores function.

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1966 Turns Out To Be a Banner Year for Soviet Agriculture

Record grain production as well as gains in other crops and livestock will have a comparatively long-term effect on the country's economy.

The agricultural situation in the Soviet Union at the end of 1966 is good. Grain production, particularly wheat, increased sharply from the poor 1965 outturn and reached record levels. Despite a relatively poor feed situation during the first half of 1966 and a major outbreak of foot-and-mouth disease last fall and winter, livestock production was moderately above 1965. As a result, gross agricultural output will substantially exceed the 1966 planned 8- to 10-percent increase.

The successful production year is reflected in state procurement successes. Gross grain procurements totaled 74 million metric tons by October 10, and wheat procurements amounted to 54 million of the total. Both magnitudes are significantly larger than procurements in any previous year. Livestock-product procurements will also be above 1965 and will exceed planned procurement levels by significant amounts.

Steps taken to boost agriculture

While the March plenum of 1965 laid down the major policy guidelines for the development of Soviet agriculture, further important measures to improve the material well-being of the peasant and to raise and stabilize agricultural output were taken in 1966.

The 23d Party Congress dealt with the 5-year plan directives and, for the rural sector, set the objective of substantially narrowing the differences in living standards between rural and urban populations by improving rural incomes and access to amenities. A May plenum devoted itself to discussion of a comprehensive land reclamation and irrigation program. Some important decrees issued during the year dealt with incentive measures. A system of guaranteed monthly wages was introduced for collective farm workers.

A number of factors combined to increase grain production in 1966. Weather was the most important single element and was outstanding in two respects. The winter wheat crop was favored by mild winter weather and generally good snow covers so that it suffered remarkably little winter kill. This helped to offset very dry conditions at sowing time last fall, which caused actual sowing of winter grain for the 1966 harvest to be 4 million hectares below plan and below the 1965 winter grain area. An early open spring with good precipitation further improved the crop, and heavy rain and hail damage at harvest time in the Ukraine and North Caucasus did not seriously affect it. The spring wheat crop had good growing conditions, although spring grain sowings were delayed in the important "new lands" regions, and moisture conditions were not as good during the summer as in some previous years. But almost perfect harvest conditions, with the exception of East Siberia, resulted in an unusually rapid harvest with abnormally low harvest losses.

Increased utilization of fertilizer on grains and greater

Harvesting millet with a three-reaper unit on the Gazyrski state farm in the Krasnodar Territory.

Grain is delivered to elevator in the Tselinny Territory, Kazahk SSR. Soviet grain crop hit record level this year.

availability of machinery contributed to the benefits of the generally good weather pattern. Incentive measures, which improved the material interest of the agricultural labor force, probably resulted in better crop care and harvesting, but it remains difficult to obtain a view as to how much of a factor this was in producing this year's results.

Bigger harvest on smaller acreage

From the peak year of area sown to grain in 1964, the current year was the second year of decline and had the smallest total grain area since 1961. It is a significant measure of both improved weather and improved approach to agricultural productive practices that a substantial grain production increase was obtained on a smaller acreage base. The estimated increase in total grain production vis-a-vis 1965 is as follows:

Item	Production, 1965[1]	Government purchases[2]	Production, 1966[3]	Government purchases[2]
	Million metric tons	*Million metric tons*	*Million metric tons*	*Million metric tons*
Wheat production	46.5	25.0	70 - 75	54
Other grains	53.5	12.0	60	20
Total grain production	100.0	37.0	130 - 135	74

[1]USDA estimates. (USSR grain production is reported in bunker weight.) [2]Reported by USSR government in accounting weight. [3]USDA preliminary estimate.

Wheat of good quality

In addition to the sharp increase in wheat production, the quality of the 1966 spring wheat crop is believed to be unusually good. With the exception of East Siberia, moisture content of spring wheat was much lower than normal, and there also appeared to be a generally higher gluten content as well as a higher test weight per 1,000 grains of wheat.

Wheat production in 1966 is well above Soviet requirements. Given the tight wheat supply situation of the past several years, the necessity of importing substantial quantities of wheat, and the presumption that wheat stocks are at a relatively low level vis-a-vis annual requirements, it would be a logical conclusion that the greater part of this year's excess of production over requirements will be allocated to increasing the level of stocks. This does not exclude a modest increase in exports to socialist countries. Also, the extraordinary production of the current year gives the Soviets the capability of indulging in wheat-aid shipments to countries such as the UAR with comparatively little strain upon the primary objective of a substantial increase of internal reserves.

Some gains in other crops

Production of technical crops increased moderately. The 1965 crop year was not a poor one, as it was for grains, for technical crop production. Nonetheless, the current crop year appears to have been generally better:

Item	Output	Change from 1965	Estimated procurements	Planned procurements
	1,000 tons	*Percent*	*1,000 tons*	*1,000 tons*
Cotton (as seed cotton)	5,750	+ 2	5,750	5,300
Sugarbeets (factory)	74,900	+ 5	70,500	75,455
Sunflowerseeds[1]	5,500	+20	4,340	4,190

[1]USDA estimate. (USSR oilseed output is reported in bunker weight.)

Potato and vegetable production are difficult to judge since the private sector plays such a substantial part. In general terms, it is believed that potato production has declined slightly from 1965 output. A modest increase is anticipated in vegetable production, although it would appear that somewhat less area was devoted to vegetables in 1966 than in 1965.

Livestock has better year

Livestock production during 1966 has apparently been better than was anticipated earlier in the year. The impact of both official encouragement of private livestock raising and the widespread outbreak of foot-and-mouth disease during the fall and winter of 1965-66 remains obscure. What official statements have been made during the current year point to increased production and procurement levels. The estimated production and procurement position rests heavily on official sources of information which are largely related to performance in the socialized sector. These estimates, plus the percentage change from 1965, are as follows:

Item	Unit	Output	Percent change from 1965	Procurements	Percent change from 1965	Planned procurements 1966
Meat: slaughter wt.[1]	Mil. tons	10.4	+5	.....	.....	.....
Live-weight[1]	do.	.....	.....	9.8	+5	8.9
Milk[2]	do.	74.6–76.2	+3–+5	40.0	+3	34.6
Eggs	Bils.	31–32	+7–+10	11.3–11.5	+8–+10.0	10.0
Wool	1,000 tons	.....	.....	Somewhat above plan.	.....	361.0

[1]USSR meat production includes fat and offals. [2]USSR milk production includes milk consumed by calves and fed to other livestock.

The prospects for livestock production in 1967 are reasonably good, as the feed position at the end of this year is substantially better than at the end of 1965. It is too early to comment about 1967 crop prospects, although it appears that winter sowings are off to a more timely start than a year ago. There were areas where it was somewhat dry during the fall sowing but, as the current crop season demonstrated, much depends on the severity of winter conditions.

More money in rural areas

It has been a banner production year for Soviet agriculture, and the consequent economic effects are complex and comparatively long-term.

There is a substantial increase in money income in the rural sector. This will permit collective farms to more easily meet 1967 planned investment levels, at the same time raising labor payments to collective farm workers. State farms, which as a group have traditionally operated at a loss, will be less of a burden on the budget this year.

Wheat stocks will be increased, perhaps substantially, and could reduce the necessity of increased wheat imports in the event of a smaller than average wheat crop next year. This, of course, would free foreign exchange for purposes other than food purchases.

U.S. products fill shelves of this commissary in McGraw Kaserne, Munich.

Commissaries—Overseas Grocers for the Armed Forces

By HARRY W. HENDERSON
Foreign Market Information Division
Foreign Agricultural Service

Overseas commissaries of the U.S. Armed Forces are, in the aggregate, big merchandisers of U.S. food products. Through these military "grocery stores" is distributed a significant part of the defense establishment's overall food purchases, which amounted to $1,222 million in fiscal year 1966.

Included in the 1966 grocery bill for commissaries and troop feeding were meats, $327 million; poultry, $61 million; dairy products and eggs, $112 million; fishery products, $34 million; fats and oils, $165 million; fruits, vegetables, and juices, $220 million; brand-name products, $105 million; beverages, $44 million; and other processed products, such as flour, sugar, and coffee, $154 million.

The size of overseas commissaries varies widely. Some, such as the Army's Rue Marboeuf establishment at Paris, are relatively small—approximating the size of an average delicatessen store. Others, like the installation in the McGraw Kaserne at Munich, operate on the scale of major U.S. supermarkets.

Most items bought in U.S.

Approximately 2,300 separate subsistence items are stocked by the overseas commissary system. However, most of these items are purchased in the United States through 10 Subsistence Regional Headquarters. For European Commissaries, the New York City regional office buys nonperishable items and the Richmond (Va.) office perishable goods. Only a few foods, such as fresh fruits and vegetables in season, eggs, and milk are procured by overseas commissaries from local sources. Supervision of procurement is a responsibility of the Defense Personnel Support Center which is located in Philadelphia.

The Armed Forces procure both "specification" and "resale" items. The overseas commissary handles both types, though in different manners. First, it issues specification items for consumption by troops. These food issues go to "ration breakdown points" where they are divided into quantities required by individual mess halls. Second, the commissary places resale subsistence items—mainly foods, but also such nonfoods as soap, paper towels, and brooms—on display where they are available for sale to individual patrons holding commissary cards, or to authorized activities, such as officers' or noncommissioned officers' clubs.

Patrons of commissaries have some voice in deciding what items are stocked. In Europe, for example, there is a European Commissary Resale Items Board (ECRIB), which meets once each 6 months to determine what items are to be stocked and which ones withdrawn. To help ECRIB make its decisions, each commissary officer gathers information on those items that his customers would like to see put on sale. These recommendations pass along to ECRIB as a consolidated list. From this list, committees concerned with nonperishable and perishable subsistence items make their selections.

Some problems in long-distance buying

The long distances that characterize the commissary system create a number of problems. For example, distance limits the number of line items that overseas commissaries can handle, whereas commissaries in the United States stock many more, because their buying from local sources on a recurring basis reduces the storage space requirements. Items for overseas use must be ordered from the United States months in advance of sale and be stocked abroad.

The long pipeline between the United States and the overseas commissary also creates the problems of accurately forecasting requirements. If the commissary officer makes a mistake and orders an item that doesn't "move," he not only must store the supply already on hand but also has the melancholy knowledge that still larger supplies of the unpopular item are on order and are moving through the pipeline. The rule, therefore, is "enough but not too much."

The demand for items overseas varies somewhat from demand in the United States. In the United States, the commissary customer sees much more advertising, particularly television advertising, than he sees abroad. Generally speaking, demand for some highly advertised items in the United States is a year to a year and a half ahead of demand in Europe. Commissary officers, therefore, are wary of items that are in or have just passed through the test market phase.

Attracting U.S. food firms

The size of Armed Forces grocery buying is arousing the interest of U.S. food firms. And the Armed Forces are eager to facilitate the food industry's selling.

At a seminar held at Munich, Germany, last October in connection with the big IKOFA 1966 food show, experts from nearby military installations explained the workings of the commissary system to representatives of United States food processors.

Storage, as it turned out, is a major problem of commissary management at overseas posts. Following the seminar, the U.S. food representatives considered the possibility of several firms maintaining cooperative warehousing facilities in Europe that could serve both European civilian and military requirements.

Commissary officers urged food industry representatives to make a careful study of commissary buying.

Firms desiring to sell in Europe would do well to get in touch with the ECRIB Executive Assistant with respect to procedures for presenting items to the ECRIB Board. The address—Commander in Chief, United States Army, Europe. ATTEN: Supply and Services Directorate, ECRIB Executive Assistant, APO New York 09403.

The Defense Personnel Support Center, 2800 South 20th Street, Philadelphia, Pa., 19101, has issued a number of pamphlets aimed at helping the U.S. food industry. "Selling Food to the Armed Forces," "Brand Name Contracts for Commissary Resale Items," and "DSA-DPSC Pamphlets" numbered, respectively, 4235.2, 4235.3, 4235.4, 4235.5, 4235.6, and 4235.9 round out this series on food trade.

As old commissary hands know, there are always some fine points to observe. For example, Army menus, published 6 months in advance at USAREUR Headquarters in Heidelberg, show that Army mess halls serve turkey about three times a month during most of the year. However, as November approaches, turkeys are withdrawn. That's so as not to take the edge off the appetites of the troops at Thanksgiving and Christmas.

Meatcutter (below) at Frankfurt Commissary makes small portions out of big ones. Customers (right) looking for good cuts of beef at this commissary have a large and fresh selection as coolers are constantly restocked.

Morocco's 1965-66 Harvest Shows Effects of Severe Drought

The widespread drought which Morocco suffered during the 1965-66 agricultural season continues to have serious repercussions on the country's economic and social conditions.

In severity the drought was worse than that of fiscal 1957 but not as intense as the drought of 1961 and the near disaster of 1945. The total rainfall varied from 30 to 40 percent below normal in some regions to near normal in others. The main problem, however, was the scarcity of precipitation plus the intensively hot weather during the critical period of December through March.

Grain crops badly hit

In terms of the relatively normal 1964-65 season, barley was down 58 percent, wheat 35 percent, and corn 46 percent. Also, beans and pulses appear to have declined by about 48 percent, greatly reducing the availabilities of these crops which normally account for significant exports.

For the cereal crops, there will be no export surpluses. On the contrary, early estimates of cereal import requirements needed to maintain reasonable supply levels have ranged from 1.4 million to 1.6 million tons. Currently, the Moroccan Government is concentrating on meeting the wheat deficit, which it considers the most serious. In fact, it appears very likely that Moroccan grain consumers, as well as their livestock, will have to depend to a considerable extent on meager reserves and will have to experience some belt-tightening before the next harvest begins.

Total production of citrus, cotton, and sugarbeets continued to increase, although the absence of rain apparently did reduce yields and quality of vegetables somewhat. Irrigation water reserves were also drawn down to disappointingly low levels in several areas.

Reduced forage and pasture production affected livestock. There was heavy selling of sheep and cattle during the first half of calendar 1966, owing to the shortage of grazing and the reduced supplies of cereal straw. As a result, prices of both livestock and meat declined to extremely low levels.

Losses from horse sickness

Besides the effects of the drought on livestock production, Moroccan farmers suffered heavy animal losses during 1966 from African Horse Sickness. The disease broke out in the south about mid-March, subsequently spreading to virtually all parts of the country, and despite the early imposition of quarantine measures and a widespread vaccination campaign, many thousands of horses, mules, and donkeys died. This loss now seriously hampers the work of land preparation and planting for the current growing season.

Vaccines for African Horse Sickness have been imported for some months from Tehran, but Moroccan officials hope to obtain the laboratory equipment necessary to produce the vaccine locally. This, though, will probably not be possible until next July; meanwhile, veterinary specialists are hopeful that improved pasture conditions, cooler weather, and the reduced number of insect vectors will lessen the spread of the disease during the coming months.

Better year expected

Moroccans are generally optimistic as to the prospects for increased production in the agricultural season now beginning. They claim that it is extremely rare, if not unknown, to experience two critical droughts in a row. Actually, the season has started off well, with periods of heavy rain, in the mountains and elsewhere, alternating with sunny days, permitting work in the fields and the early planting of cereal crops.

Another encouraging aspect is that the crash program of fertilizer application on 200,000 hectares of wheat in six Provinces under joint United States AID and Moroccan Government sponsorship appears to be proceeding fairly well. It is hoped that cereal yields can be substantially increased by fertilizer application, as well as by gradual improvement of cultural methods, use of selected varieties of seed, and by rational mechanization.

—PAUL FERREE
U.S. Agricultural Attaché, Rabat

Canada Faces Distribution Problems With Its Top-Grade Wheat

Canadian wheat producers this year put out a top-quality crop, but some of their enthusiasm for its quality is being dampened by problems of its distribution. The 844-million-bushel crop is 92 percent No. 1, 2, and 3 Northern, but many of Canada's wheat buyers traditionally take only low grades to mix with domestic varieties.

According to Canada's Board of Grain Commissioners, current stocks of low-quality wheat are estimated sufficient to meet delivery commitments to Mainland China and other countries, but little room is left for negotiating any new contracts.

The Russian contract is reportedly not affected by the imbalance in quality because safeguards were written into the 336-million-bushel agreement. Canada's Assistant Chief Commissioner of the Wheat Board, J. B. Lawrie, has been in Peking as a guest of the Chinese import food buying commission, discussing the high grade Canadian wheat crop and provisions of the Chinese wheat contract.

The exceptionally high quality of the current wheat crop has been confirmed in baking tests conducted under the supervision of the Board of Grain Commissioners. Analysis has determined that the protein content of the grain is about one-half of one percent below normal. But the wheat flour has a higher moisture-absorption capacity than the past few crops have had, resulting in a greater bread yield from a given amount of flour.

Durum wheat from the 1966 crop is also slightly lower in protein content, but there is little loss in quality, since the wheat largely goes into the manufacture of macaroni. Yield of macaroni per bushel of durum is above normal because of the grain's large kernels. No evidence of rust has been detected so far in grain samples.

—R. H. ROBERTS
U.S. Agricultural Attaché, Ottawa

Finland's Breadgrains Drop But Feedgrains Break All Records

The most significant change in the production pattern of Finnish agriculture in 1966 was the strong decline in breadgrain output, caused primarily by the sharp drop in spring wheat acreage. In addition, the severe winter seriously damaged plantings of winter wheat and rye in large areas.

On the other hand, the feedgrain crop is expected to break all records, and because of this good feed supply, the production of milk, eggs, and meat may reach or possibly exceed last year's level.

As in previous years, Finland's self-sufficiency in major agricultural products has exceeded 100 percent, and only small quantities of beef were imported into the country during the year. But because of the poor breadgrain crop, imports of hard wheat are anticipated during the current crop year.

To dispose of existing surplus stocks of feedgrains, Finland is promoting the export of oats to central Europe. But as before, exports of dairy products are still meeting serious difficulties, particularly in Europe's Common Market countries. Furthermore, the Soviet Union has decreased its imports of Finnish dairy products.

In the present agricultural situation it seems unlikely that the government will be able to make any radical changes in the protectionist policy now prevailing toward imports of agricultural products. In the long run, it is possible that foreign agricultural trade may be liberalized to some extent if domestic production can be successfully regulated. This target, though, requires intensive industrialization of rural areas to absorb rural population and reduce production of certain crops. In view of the present strains on national economic resources, such a possibility has only poor prospects for realization.

Farm Products in Finnish-Soviet Trade Pact

A bilateral trade agreement between Finland and the Soviet Union covering 1967 was signed on November 4, 1966, in Helsinki. As in previous years, the agreement covers a number of agricultural items in both directions and is of considerable importance to Finnish agriculture.

The relatively good crop year just enjoyed by the Soviet Union is reflected in the reduction or elimination of quotas for several Finnish food exports.

The Soviet Union will not import any Finnish butter in 1967, and the cheese quota has been decreased from the present 4,000 tons to 1,000 tons. Meat has also been excluded from the Finnish export list.

On the other hand, it will be possible for the Finns to increase exports of dry milk and eggs to some extent. Exports of Finnish pedigree cattle, popular in Russia, are expected to remain at the current year's level.

In terms of value, the Finnish agricultural exports to the Soviet Union are scheduled to total 10 million to 15 million rubles in 1967, as against 12 million to 16 million rubles this year.

As far as the Soviet agricultural exports are concerned, the main item of interest is the reappearance of breadgrains on the list after a year's interruption. The agreement provides for 45,000-80,000 tons of wheat and 80,000 tons of rye. It is reported, however, that the Finns made it clear to the Russians during the agreements that the wheat quota would not be utilized unless the Soviets are prepared to offer North American hard wheat. Despite a rather small crop in 1966, Finland has an adequate inventory of soft European wheat and is interested only in harder wheats for blending purposes.

Of the rye quota, 40,000 tons are expected to arrive during the fourth quarter of this year. Soviet corn and wheat brans were dropped from this year's agreement because the Finns felt that the procurement of such feed would merely contribute to higher milk surpluses.

In other import items there will be no significant changes in 1967. The main products will continue to be sugar, molasses, cotton, fats and oils, and concentrated oil feeds.

Turkey's Farm Production on the Rise

Turkey's farm production this season escaped from its virtual stagnation of the past 2 years, as practically all commodities except grapes advanced. This will mean further records for the nation's burgeoning agricultural exports and decreases in its imports.

Indices for production show a rise to 131 (1957-59=100) in 1966 from 119 in 1965 and 120 in 1964. Wheat—which accounts for about two-thirds of average caloric intake—reached an alltime high of 8.2 million metric tons; this is about 10 percent above the crop of 1965. Barley also advanced, by about 13 percent to 3.5 million tons. Sugarbeets—largest in volume of the industrial crops—rose by a little over 400,000 tons to 3.85 million.

Among export crops, cotton and olive oil were the outstanding gainers, with increases of 22 and 77 percent respectively. These two commodities will be the export pace setters during fiscal 1967, with shipments possibly hitting about 230,000 and 40,000 tons, respectively. Gains are also expected in sales of tobacco, filberts, oilcake, and citrus, and total exports are forecast to rise 10 percent.

In recent years, Turkey has been particularly successful in expanding exports. Shipments have risen by about 9 percent yearly and have accounted for about 80 percent of the country's total export trade.

Agricultural imports, by contrast, are on a downward track and will probably continue this course. They averaged about $90 million during 1961-63, fell to $50 million in 1964-65, and were probably even less during 1965-66. The United States supplies about two-thirds of these imports, while Australia and the United Kingdom normally account for 18 and 7 percent. Imports from the United States under Title I of P.L. 480 have fallen sharply as Turkey has switched to dollar purchases of U.S. inedible tallow and continues its commercial buying of U.S. cattle hides.

With the exception of tallow and merino wool, it appears that additional imports during fiscal 1967 will be minimal. Wheat imports will not be needed, and since vegetable oil output is sufficient to maintain per capita consumption without importing, there will be only small takings of vegetable oils.

—JOSEPH R. WILLIAMS
U.S. Agricultural Attaché, Ankara

The FOREIGN MARKET for U.S. POULTRY PRODUCTS

U.S. trade in poultry meat is shifting in response to new developments in major world markets, with turkeys and poultry parts outselling broilers.

U.S. poultry and egg exports for 1966 reached a total of $68.3 million by the end of October—4 percent over the level of October 1965. Poultry meat, which generally accounts for around two-thirds of the total, showed a slight decline; it was baby chicks and hatching eggs (each up about $2 million) that largely accounted for the increase in imports.

Exports of poultry meat in January-October 1966 were 146.9 million pounds (valued at $42.5 million). The year before, when they had totaled 198.3 million pounds (and $56.8 million) for the year, they already amounted to 158.8 million pounds (and $45.2 million) by the end of October. Thus, while holiday exports—particularly of turkeys—have been heavy during November and December this year, the poultry meat total for 1966 is likely to be slightly below that of 1965.

Chiefly responsible for the difference in the two 10-month periods is the top market, West Germany, with 70.3 million pounds in 1965 and 55.5 million in 1966. Newer and very active markets are Japan and Italy.

For some individual products—particularly turkeys—increases appeared to be in sight; for others, the trend continued downward. Both the upward and the downward trends reflected the realities of the world poultry market—and the fact that the U.S. poultry industry has shifted its export emphasis away from products subject to trade barriers and toward products that other countries cannot yet supply in volume.

Changes in West European market

West German imports of U.S. poultry serve to illustrate the changing makeup of U.S. exports to Western Europe in the past few years. Imports of U.S. whole broilers into Germany declined to 24.7 million pounds in 1963, down about two-thirds from the peak year of 1962. By 1965, they had dropped to only 3.5 million pounds. Meanwhile, Germany's imports of U.S. poultry parts had climbed from negligible quantities in 1962 to 55.3 million pounds in 1965. At the same time, its imports of whole turkeys from the United States increased from 10.6 million pounds in 1963 to 11.4 million and 16.6 million pounds respectively in 1964 and 1965; and shipments of all U.S. turkey products to Germany rose to 37.5 million pounds, making it the largest individual market. (In addition, many of the U.S. turkeys shipped to the Netherlands—No. 2 individual market, with nearly 8 million lb.—were destined for transshipment to Germany.)

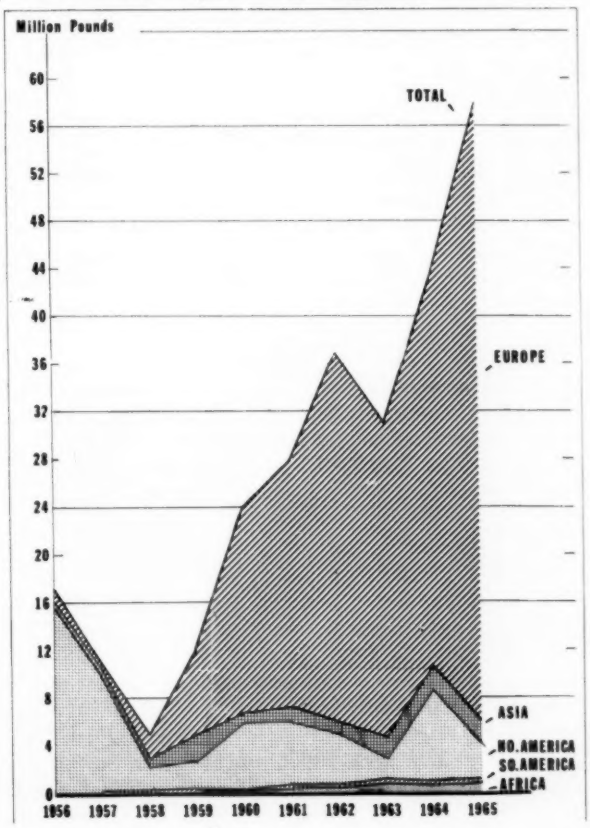
On a regional basis, Western Europe is the major U.S. turkey market; it accounted for 52.3 million pounds in 1965, or 89 percent of total U.S. turkey exports.

Japan an expanding market for U.S. poultry

Japan is a relatively new but growing market for poultry meat. Prior to 1963, its purchases were small. But in September 1963, FAS cooperated with the U.S. poultry industry in conducting a poultry promotion campaign at the U.S. Trade Center in Tokyo; and poultry exports to Japan jumped sharply upward in the next 3 months. They have continued to trend upward since that time, reaching a new high of 11.2 million pounds in 1965. For January-October 1966, they were already 9 million pounds—25 percent above the 1965 level; and the combined impact of this fall's U.S. Poultry Trade Exhibit at the Trade Center and the brisk holiday trade will help exports to this market reach a new record in 1966. This rising volume has placed Japan third among U.S. poultry export markets in the short span of just a few years.

Traditionally, poultry grown in Japan has been deboned and marketed by small poultry shops for use in dishes which could be eaten with chopsticks. Through cooperative government-industry promotion efforts, bone-in U.S. frozen poultry has been introduced and is being served to the Japanese consumer in a new form—fried chicken. For example, fried chicken drumsticks have become a particular favorite and are being served in restaurants and also prepared at home. Presently, about 80 percent of the U.S. poultry exported to Japan is in the form of poultry parts. Poultry production in Japan is expanding, and increased competition can be expected from local production in the next few years. However, it will be some time before the

U.S. Turkey Exports by Regions, 1956-65



local industry can produce sufficient quantities of poultry parts to meet the rapidly expanding demand that the U.S. promotion program has helped develop. Only recently, in August 1966, the Institute of American Poultry Industries named a U.S. director for the Japanese promotion program to augment its Tokyo office staff and to expand its promotion activity for U.S. poultry products in this area.

Italy another new market

A FAS-IAPI market development program, initiated as the result of a survey to determine the Italian potential for U.S. poultry products, was stepped up in 1961. The program was aimed at the outset toward gaining access to the Italian market and introducing U.S. poultry products. Special efforts were made to eliminate regulations against the importation of U.S. chicken parts. As a result of consultations with officials of the Italian Veterinary Service, that Service, cooperating with the USDA Poultry Inspection Service, adopted new regulations permitting the importation of specified U.S. poultry parts into Italy.

Until 1960, U.S. poultry exports to Italy were not of major significance. In 1965, however, 476,000 pounds of broiler parts moved to this market. For the January-October period of 1966, broiler shipments there amounted to 295,533 pounds.

Marketing emphasis was also placed on turkey, because this item could be introduced readily in view of competitive and supply factors. Highly significant progress has been made in expanding turkey sales to Italy. Promotional techniques such as trade fairs, hotel demonstrations, in-store sale materials, and direct contacts with the distribution trade have been responsible for the rapid growth. Turkey exports to Italy reached a new peak of 4 million pounds in 1965, compared with 2.8 million in 1964. Sales during January-October 1966 were 3.2 million pounds; but the holiday movement was heavy, and there is a good likelihood of a new record in 1966.

One prominent factor in the increased Italian demand for U.S. turkeys is the development of new uses under the IAPI program. For instance, the possibility of substituting turkey breasts for milk-fed veal in many Italian dishes has resulted in increased consumer demand for this turkey item. Veal—a traditional Italian favorite—is at times in short supply and high-priced. The introduction of white turkey meat to fill the gap has helped acquaint the Italian housewife with U.S. turkey.

Turkeys, production stock continue up

Exports of turkey meat were the highlight of 1965; shipments of whole turkeys and turkey parts totaled 58.5 million pounds, up 35 percent from the record 1964 level of 43.2 million. January-October shipments in 1966 were behind those of 1965, but 2 months of lively export have yet to be counted.

The United States is the only major producer of turkeys in the world. Turkeys and turkey products such as parts, rolls, thighs, and breasts move readily into world trade at competitive prices and are available to the foreign housewife throughout the year. There is every indication that turkey sales will continue to grow to supply the increased consumer requirements.

Of rising importance as dollar earners are sales of poultry production stock, which supplied about 30 percent of the poultry-product export total in January-October this year, as against about 25 percent last year. Exports of baby chicks rose from $9.4 million to $11.6 million, for a gain of 24 percent; those of hatching eggs, from $6.2 million to $8.2 million.

How poultry promotion emphasis has shifted

Since the inception in 1956 of the FAS-industry cooperative poultry market development program, with IAPI acting for the U.S. poultry industry's International Trade Development Board, 1.7 billion pounds of U.S. poultry have been exported, valued at about $500 million. At the outset, poultry meat export sales reached relatively few markets; in 1955, for instance, U.S. poultry meat was shipped to only 13 countries. By 1965, shipments were going to over 80 countries throughout the world. The wide variety of U.S. poultry products has enabled the poultry industry to supply nutritious and economical meat protein to complement the diet in many foreign lands.

In the late 1950's, the United States became a major exporter of poultry products owing to the development of an efficient method of commercial broiler production, making U.S. poultry products competitive in the major world markets. Whole broilers became the primary U.S. poultry export item and remained so until about 1962. In that year, the European Economic Community implemented its Common Agricultural Policy (CAP) for poultry and eggs. This action severely impaired the access for U.S. poultry—particularly whole birds—into the leading U.S. market outlet. American exporters have faced several kinds of protectionism, such as sanitary and health barriers and also subsidized exports of whole birds by countries—both within and outside the Community—that are major competitors for the world market.

Such actions have provided a serious deterrent to the U.S. poultry export trade. But the United States has made technological advances in marketing, packaging, and further processing that have enabled its poultry industry to supply at competitive advantage a variety of poultry parts, turkeys, and canned products not available in volume in many foreign countries. These products are not directly competitive with whole chicken, for European countries do not as yet produce exportable quantities of them. The cooperative promotion program carried out by IAPI has shifted in promotional emphasis and has featured these items, which find a ready market in Western Europe and other parts of the world.

Van containers ease transport problems

The use of self-contained refrigerated van containers for export shipments has been a significant step forward in developing and expanding the market for poultry products. This method of shipping eliminates pilferage, maintains product quality through temperature control, and helps simplify inspection and document clearance.

In evidence of the industry's growing interest in these containers, reports have been received that 33 container-loads of poultry products were shipped by U.S. processors to Europe during October and early November.

The U.S. exporter is facing increasing competition for world poultry markets. However, the high quality and variety of U.S. poultry products is an advantage; and, with continuing government-industry promotional efforts, the likelihood is that present markets will continue to expand and new markets will develop.

"Good Food USA" Campaign Aimed at Greater Philippine Sales

The first in-store promotion of U.S. foods in Southeast Asia—at the Makati Supermart in Makati, a suburb of Manila, Philippines—ended early this month after successfully introducing dozens of brand-name processed products to the Philippine market.

Purpose of this pioneering point-of-sale promotion was to expand an already-important market for American food and agricultural products. Philippine purchases of these products now amount to about $65 million a year. Philippine sales of agricultural products to the United States total about $300 million annually.

The 3-week "Good Food USA" campaign was sponsored jointly by the Foreign Agricultural Service, the Makati Supermarket Corporation, and 15 U.S. food suppliers. Among the foods featured were dairy products, fruit juices, canned vegetables and fruits, dried fruit, meat items, soups, cereals, beverages, ready-to-cook meals, baby foods, jams, preserves, salad aids, poultry, confections, wines, frozen foods, sauces, spices, and condiments.

Store traffic increased substantially during the promotion, according to the Supermart manager. Introduced items that were immediate best sellers included canned peaches and 14- to 18-pound turkeys.

For the promotion the Makati corporation, which buys some $1.75 million worth of U.S. food and agricultural products a year, purchased an additional $100,000 worth of the items being introduced. It also carried additional advertising in Manila newspapers.

The store was decorated inside and out with large "Good Food USA" posters and red, white, and blue banners and streamers. In the store, backlighted color transparencies above the shelves showed ready-to-eat meats, juices, dairy products, fruit, and poultry in mealtime settings. Each of the participating firms had a booth in which it displayed the products it was featuring. The special products of all the firms were prepared for sampling in a central kitchen, and the samples were given out by demonstrators in cowgirl outfits.

Makati Supermart during recent point-of-sale promotion of U. S. foods. Left, Philippine children take sample raisin cookies served by demonstrator. Below, view showing store decorations.

Western-Type Sandwich Promotion Succeeds in Japan

Signs of the success of the pilot program to popularize Western-type sandwiches carried out in Japan last year by Wheat Associates, USA, are much in evidence these days—particularly in Tokyo and other large cities.

Western-type sandwiches—the kind that are substantial enough to be the main dish of a meal—were almost unknown in Japan less than 2 years ago; the typical Japanese sandwich is a thin, snack-type concoction. Today the Japanese have not only adopted the heartier kind of sandwich, they have added refinements of their own. For example, they have created a sukiyaki sandwich, and they add shredded lettuce and mayonnaise to hot dogs.

In Tokyo, hot-dog buses, like the one at right, are a common sight around parks and athletic stadiums. Most Tokyo department stores have areas or food concessions that deal exclusively in sandwiches. There are also sandwich shops and sandwich corners along the main streets.

Wheat Associates, an FAS cooperator in overseas market development, joined with three Japanese groups in the 1965 promotion—National Food Life Improvement Association, Japan Baking Industry Association, and the All Japan Bakers Association.

U.S. Poultry Industry and FAS Accelerate Drive To Sell More Holiday Turkey in West Germany

The country that gave America the Christmas tree is quickly adopting a holiday tradition from the United States: West Germans are replacing the customary goose with turkey at festive meals.

Selling the tradition has also meant selling the turkey, and U.S. exports of this native North American bird to West Germany have been picking up substantially. Largely responsible for the bigger sales is the annual holiday promotion conducted by the U.S. poultry industry's International Trade Development Board, administered by the Institute of American Poultry Industries (IAPI). IAPI cooperates with FAS in developing overseas markets for U.S. poultry products. The 1966 campaign has been called "the greatest effort to date to sell more turkey during the holiday season" and is gaining momentum to meet the onrush of last-minute food shoppers.

Appeal to trade, consumers

Advertisements are running in trade papers and chain store magazines and in newspapers of the prime target areas—Hamburg, Frankfurt, Stuttgart, and Munich. The newspaper ads invite housewives to send for the most complete turkey brochure ever printed in West Germany, with detailed instructions on buying, thawing, stuffing, roasting, carving, and serving.

At the store level, thousands of retailers are distributing four different brochures and flyers with step-by-step carving instructions. Stores are decorated with appetite-whetting posters and window streamers, and some retailers are offering customers colorful polyethylene shopping bags. IAPI provided all the materials free except the bags, which cost retailers a nominal amount.

Results of previous holiday campaigns are evident in West Germany's imports of U.S. whole turkey, which rose from 10.6 million pounds in 1963 to 16.6 million last year. About 90 percent of 1965 imports arrived in the last third of the year in anticipation of the holidays.

The holiday turkey promotion is just part of a year-round campaign by the U.S. poultry industry to expand sales to the West German market. The fiscal 1967 program began in July with an outdoor-eating campaign to encourage use of poultry parts for barbecues and picnics. Some 7,500 consumers responded to advertisements offering a brochure of recipes and tips on outdoor cooking.

The summer campaign was followed in September by one to encourage use of turkey, turkey roll, and poultry parts in restaurants and hotels. Advertising was placed in trade papers, direct mailings went to 25,000 chefs, and chefs and institutional buyers were invited to cooking-serving demonstrations in several major cities.

The midpoint of this 2-month program coincided with the German Hotel and Restaurant Fair in Hannover, where IAPI participated with an exhibit and sampling operation.

Also in the fall, U.S. poultry proved one of the most popular foods at Munich's IKOFA (International Exhibition of Groceries and Fine Foods). Consumers bought over 18,000 portions of chicken drumsticks and turkey sandwiches, encouraging numerous inquiries and orders from the German trade. Reaction was enthusiastic among the U.S. exporters exhibiting, with one expecting $2.8 million in business during the next year as a result of orders taken and contracts made at the fair.

Following the current holiday campaign, January will see the launching of an effort to sell to hospitals, large factories, and cafeterias. March and April programs will center around Easter holiday meals, and those for May and June will return to the outdoor-eating theme.

U.S. industry holding the market

West Germany is still by far the United States largest poultry meat buyer despite the blows dealt to U.S. whole broilers in the past few years by EEC levies, increased local production, and competition from within the EEC. Sales of turkeys, poultry parts, and further processed poultry items are beginning to compensate for the loss in broiler exports.

Barring prohibitive import restrictions, U.S. sales of turkeys, poultry parts, and further processed items to West Germany will stay on the upswing. Neither local nor EEC turkey production will be able to meet the growing demand for turkey meat in the near future. This year, the United States will provide an estimated 75 percent of Germany's turkey meat imports, with countries of Eastern Europe the other major suppliers.

Left, illustrations from one of the brochures distributed take the consumer step by step through buying and cooking. Below, poster acclaims turkey "crown of the holiday table."

Ten-Month Report on U.S. Trade in Livestock and Meat

January-October 1966 red meat imports totaled 1,070 million pounds, 30 percent greater than for the same period a year earlier. The weak market for imported meats in Western Europe has diverted more shipments to the United States. At the same time, exports of meat products from the United States, including variety meats, were down 6 percent.

Beef and veal imports in the first 10 months showed the largest gain of all meats, up 38 percent from a year earlier. Imports of boneless processing beef showed the greatest increase and accounted for 81 percent of all imported beef and veal so far this year. The demand for processing beef remains strong in the United States.

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	October		Jan.-Oct.	
	1965	1966	1965	1966
Red meats:				
Beef and veal:				
Fresh and frozen:	*1,000*	*1,000*	*1,000*	*1,000*
Bone-in beef:	*pounds*	*pounds*	*pounds*	*pounds*
Frozen	1,090	406	4,153	4,502
Fresh and chilled	2,560	1,446	16,416	14,100
Boneless beef	54,648	71,611	442,841	606,334
Cuts (prepared)	98	507	1,663	4,026
Veal	2,015	2,596	14,214	17,321
Canned beef and beef sausage	9,717	12,232	77,237	76,616
Prepared and preserved	2,009	3,426	18,612	25,666
Total beef and veal	72,137	92,224	575,136	748,565
Pork:				
Fresh and frozen	4,037	3,041	38,282	34,786
Canned:				
Hams and shoulders	15,056	17,771	142,279	166,580
Other	3,086	4,761	23,376	41,029
Cured:				
Hams and shoulders	137	146	1,318	1,294
Other	396	268	4,391	3,196
Sausage	254	306	1,540	2,057
Total pork	22,966	26,293	211,186	248,942
Mutton and goat	4,099	3,688	25,553	54,065
Lamb	1,038	1,136	9,679	13,856
Other sausage	485	582	3,975	4,862
Total red meat	100,725	123,923	825,529	1,070,290
Variety meats	246	128	1,495	2,704
Wool (clean basis):				
Dutiable	11,701	9,710	134,675	142,959
Duty-free	12,048	5,004	94,694	99,042
Total wool	23,749	14,714	229,369	242,001
	1,000	*1,000*	*1,000*	*1,000*
	pieces	*pieces*	*pieces*	*pieces*
Hides and skins:				
Cattle	25	4	213	175
Calf	50	13	398	198
Kip	40	48	541	369
Buffalo	45	41	474	372
Sheep and lamb	2,271	914	25,990	25,644
Goat and kid	966	767	12,053	9,363
Horse	29	7	315	212
Pig	239	221	2,518	1,912
	Number	*Number*	*Number*	*Number*
Live cattle [1]	103,299	96,471	665,057	761,139

[1] Includes cattle for breeding.

U.S. Department of Commerce, Bureau of the Census.

Imports of fresh, frozen, and chilled beef, veal, mutton and goat covered by the Meat Import Law, P.L. 88-482, for January-October totaled 696 million pounds. This is a 38 percent increase over a year earlier, but still well below the level which would require the use of quotas.

Pork imports are running about 18 percent over a year earlier in the first 10 months. Lamb imports showed little change in October, but are 14 percent higher so far in 1966.

Live cattle imports for the first 10 months—mainly feeder cattle from Canada and Mexico—were up 96,082 head from a year earlier. However, imports in September and October of this year were 14 percent less than last year. This drop in recent months indicates a tightening of supplies in these two countries.

Exports of hides and skins have been running well ahead of those of a year earlier, some 750,000 more pieces than for the first 10 months of 1965. Both lard and tallow exports were down from a year earlier. Lard supplies are expected to increase in November and December as hog slaughter increases.

U.S. EXPORTS OF LIVESTOCK PRODUCTS

[Product-weight basis]

Commodity	October		Jan.-Oct.	
	1965	1966	1965	1966
	1,000	*1,000*	*1,000*	*1,000*
	pounds	*pounds*	*pounds*	*pounds*
Animal fats:				
Lard	15,644	14,965	219,967	124,272
Tallow and greases:				
Inedible	165,876	154,045	1,780,896	1,604,950
Edible	2,477	2,482	19,020	18,595
Meats:				
Beef and veal	3,571	2,222	34,988	23,896
Pork	4,995	7,116	38,517	39,173
Lamb and mutton	84	101	950	1,357
Sausages:				
Except canned	224	269	1,746	1,820
Canned	92	86	1,296	1,036
Other canned meats	784	594	6,622	6,399
Meat specialties:				
Frozen	144	106	1,305	1,596
Canned	454	222	1,822	1,516
Total red meats	10,348	10,716	87,246	76,793
Variety meats	19,279	25,401	182,420	176,992
Sausage casings:				
Hog	756	666	5,508	5,715
Other natural	885	517	5,039	4,773
Mohair	1,195	826	7,718	8,484
	1,000	*1,000*	*1,000*	*1,000*
Hides and skins:	*pieces*	*pieces*	*pieces*	*pieces*
Cattle	1,339	1,108	10,996	11,399
Calf	127	120	1,497	1,784
Kip	34	25	398	444
Sheep and lamb	268	243	2,254	2,080
Horse	0	5	26	56
Goat and kid	58	34	286	370
	Number	*Number*	*Number*	*Number*
Live cattle	3,106	3,091	48,046	24,071

Argentina Reducing Sugar Production

The Argentine Government is setting a maximum production for its 1967-68 sugar crop of 750,000 metric tons (825,000 short tons). This would be a reduction of 17 percent from 1966-67 and 42 percent from the high level of 1965-66. A carryover of 650,000 metric tons is ex-

pected at the end of the 1966-67 season.

The above action is aimed at alleviating the surplus situation that has been created in the past few years. In order to help the producers it is reported that the Government is ready to buy 78,000 metric tons at 15 Argentine pesos (equivalent to 6 U.S. cents). Financial aid to the Sugar Belt Provinces is also being considered as a means of permitting planters to switch to other crops or build up industrial areas.

Antigua Has Sugar Crisis

Antigua's sugar production in 1966 (1966-67 crop) amounted to only 7,700 long tons, raw value (8,624 short tons). The Antigua sugar factory has a working capacity of 30,000 long tons, and a 1966 production of around 15,000 tons was expected. Drought reduced the crop.

The sugar factory in Antigua has suffered heavy losses in the past 2 years. To help the situation last year the Government purchased 41 percent of the factory shares.

Turkish Fig Situation

About 4,000 short tons of dried figs of quality suitable for shipment to the United States as paste are reportedly available in Turkey. Current Turkish asking prices for fig paste are said to range between 10¼ and 15 cents per pound, c.i.f. New York.

Although prices this season have been generally lower than the 15-cent minimum price which prevailed last season, demand for Turkish paste continues slack. Exceptionally heavy supplies of California fig paste at unusually low prices have dulled the demand thus far this season for imported paste. Imports of fig paste from Portugal and Spain in the first 4 months of this season have been sharply below those of last season, when each of these countries shipped record quantities into the United States.

Registrations for export of 1966-crop dried figs totaled 26,909 tons through November 21, about the same as a year earlier; but export registrations of fig paste, at 918 tons, are down sharply.

The entire Turkish dried fig pack is still estimated at 55,000 short tons, and the tonnage of edible quality suitable for export and domestic markets, at 38,000 tons (*Foreign Agriculture*, Oct. 24, 1966). The 1965 pack and the 1960-64 average were both 49,000 tons.

Larger Greek Table Olive Pack

The 1966 Greek table olive pack has been tentatively forecast at 65,000 short tons—up 14,500 from the previous year and 21,400 from the 1960-64 average. Most of the fruit size is reported to range between medium and small, with only a minor amount of large olives. Aerial spraying was used to a greater extent this year than in 1965; and, coupled with a short drought period, it has limited insect attacks. However, some dacus fly attacks were observed in late October, a result of a mild fall. In general, quality is considered very good. The bulk of the Greek pack is produced in Central Greece, on the island of Euboea, and in Thessaly.

Exports of the current pack may total 20,000 tons, an increase of 4,600 over the revised 1965 figure. For exports between November 1965 and July 1966, Romania was the biggest market, taking 20 percent; it was followed by Italy, 16; Bulgaria, 14; the United States, 12; and the Soviet Union, 9.

Prices (f.o.b.) in early November 1966, were higher for both green and black olives than those of the previous year, despite the increased production. The reduced Spanish pack, which in turn opens additional markets for Greek olives, has been responsible for this year's higher prices. These prices pertain to olives packed in wooden barrels which weigh 291 pounds.

GREEK TABLE OLIVE SUPPLY AND DISTRIBUTION

Item	1964-65	1965-66[1]	1966-67[2]
	Short tons	*Short tons*	*Short tons*
Beginning stocks (Nov. 1)	16,500	5,500	7,700
Production	31,600	50,500	65,000
Total supply	48,100	56,000	72,000
Exports	18,600	15,400	20,000
Domestic disappearance	24,000	24,100	25,000
Pressed for oil	—	8,800	15,700
Ending stocks (Oct. 31)	5,500	7,700	12,000
Total distribution	48,100	56,000	72,700

[1] Revised. [2] Forecast.

Ontario Flue-Cured Tobacco Sales

Through November 25, auction sales of Ontario flue-cured tobacco from the 1966 crop totaled 26.8 million pounds at an average price of 71 Canadian cents per pound. This price is equivalent to about 66 U. S. cents.

Sales opened on November 10; prices rose slowly but steadily from an average of 63.4 Canadian cents on opening day to 72.7 cents for sales made on November 25. Last year's season average price was about 66 Canadian cents (61.2 U. S. cents).

India's Cotton Crop Larger

The 1966-67 cotton crop in India, currently estimated at 5.1 million bales (480 lb. net), is 11 percent above the 1965-66 outturn of 4.6 million bales. This compares with the record 5.2-million-bale crop in 1963-64.

Despite the increase in production this season, some Indian cotton mills have experienced a temporary shortage of raw cotton in recent weeks. This situation is partly an outgrowth of last season's smaller crop, but more importantly is due to the slow movement of new-crop cotton into market channels. Some farmers, recognizing that temporary shortages exist, are holding their crops off the market in an effort to force cotton prices even higher. Reportedly, cotton for domestic use has been selling as much as 50 percent above official ceilings.

The Indian Cotton Mills Federation—already pinched by a tight money supply, high interest, and labor costs—has announced that it intends to suspend operation for a 2-week period in the hope that new-crop cotton will shortly become available in quantity and at a lower price. The government has resisted such a measure on the grounds that it is not justified. As an alternative, the Indian Textile Commissioner has established procedures which will insure the best distribution of existing supplies.

Despite the difficulties being encountered by the Indian textile industry, cotton consumption has been running ahead of last season's rate. Unsold stocks of cloth and yarn are well below the level of last season. Assuming no significant shutdown of mill activity, total consumption this season is expected to exceed last season's level by about 5 percent.

Imports in 1966-67 may be up slightly from the 1965-66

level of about 460,000 bales. Nearly half of last season's imports were U.S. cotton under aid programs. As of November 30, aid agreements have been concluded for shipment of about 170,000 bales of U.S. cotton to India in fiscal 1966-67.

There was a large carryover of Desi cotton (the principal type exported) from last season. Prospects for another good Desi crop are having a bearish influence on prices for this variety. In sharp contrast with the high prices for domestically used cotton, Desi prices have recently been near official floor levels. Sales have been especially slow in view of the large supply.

U.S. Tung Oil Imports Increase

Imports of tung oil into the United States during the marketing year ending October 31, 1966, totaled 28.5 million pounds, compared with 25.0 million in 1964-65. Most of the increase was from Paraguay; imports from Argentina, the major U.S. supplier, declined slightly.

Availabilities of tung oil from South America in 1966-67 will increase sharply, reflecting estimates of record crops of 55 million pounds in Argentina compared with only 14 million in 1965-66 and 18 million in Paraguay against 11 million in 1965-66. Because of this increase in availabilities and some reduction in movements of Chinese tung oil, net exports from the Western Hemisphere to European countries are likely to increase in 1966-67.

U.S. TUNG OIL IMPORTS

Country of origin	Year beginning November 1				
	1961	1962	1963	1964	1965
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
Argentina	16.4	13.4	16.8	17.0	15.6
Brazil	—	1.6	1.3	1.2	2.0
Paraguay	.7	5.1	11.0	5.4	10.4
Others	—	.2	.4	1.4	.5
Total	17.1	20.3	29.5	25.0	28.5

U.S. Bureau of Census.

Argentine Flaxseed Production Down 10 Percent

The first official estimate places 1966-67 flaxseed production in Argentina at 510,000 metric tons (20.1 million bu.), 10 percent below the 1965-66 crop of 570,000 tons (22.4 million bu.) and almost one-third below the previous 5-year average. Moreover, this estimate indicates the smallest production since 1955-56, when the crop was 238,000 tons (9.4 million bu.). Largest declines from last year reportedly were in the Provinces of Entre Rios (down 25 percent) and Buenos Aires (down 19 percent).

The drop in production is attributed to a decline by about one-fourth in seeded acreage and insufficient moisture in nearly all flaxseed regions during the major part of the growing period. Heavy rains in October gave only partial relief.

Japanese Negotiate for Chinese Soybeans

Japanese soybean importers as of October 31 had contracted for the purchase of 35,700 metric tons of variety soybeans from Mainland China at the Canton Trade Fair (Oct. 15-Nov. 15).

The agreed prices per ton were as follows: For December shipment—"Tono" variety, £42 3s. f.o.b. ($124.52 c.& f.); "Goko" variety, £41 16s. f.o.b. ($123.54 c.& f.); for December-April shipment—"Goko" variety, £41 18s. f.o.b. ($123.82 c.& f.) to £44 10s. f.o.b. ($131.10 c.& f.).

Negotiations for the importation of Chinese soybeans in calendar 1967 under the Liao-Takasaki (L-T) agreement were halted temporarily because of Chinese insistence that Chinese ships carry 33 percent of total shipments instead of the previous 20 percent. The Japanese delegation had set an import target of 300,000 metric tons (11.0 million bu.) for 1967 compared with 280,000 tons (10.3 million bu.) contracted for 1965 and again in 1966.

Japan's imports of soybeans from Mainland China during January-September 1966 totaled 306,514 tons (11.3 million bu.), compared with 324,287 tons (11.9 million bu.) in the first 9 months of 1965. During the same period Japan imported 1,346,458 tons (49.5 million bu.) of U.S. soybeans, compared with 1,028,911 tons (37.8 million bu.) a year earlier.

Canada Authorizes Grain Delivery Preference

The Canadian Wheat Board reports that in isolated areas of Western Canada a considerable volume of grain has been harvested with a high moisture content. The Board has announced that to prevent excessive loss to the producers concerned, it will again this year utilize storage space and drying facilities at terminal elevators to receive and condition such grain during the winter months.

The holders of high-moisture grain have been given advance delivery privileges to enable them to move this grain for drying at terminal facilities. Effective November 28, producers in Western Canada who have wheat, oats, barley, or rye with a moisture content of 15.7 percent and over are authorized to deliver such grain to the extent of 4 bushels per specified acre over and above existing quotas, provided that deliveries do not exceed 8 bushels per specified acre in total.

In addition, the railways have been instructed to move this grain on a priority basis to destinations authorized by the Canadian Wheat Board.

The Board is hopeful that the advance delivery privileges and the announced shipping priorities will resolve the difficulties being experienced by some producers as a result of adverse weather conditions at harvesttime.

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Highlights of the Agriculture and Trade of Nigeria

Resources.—Nigeria covers 356,669 square miles and is a third larger than Texas. The 1963 census showed a population of 55.7 million. The census has been challenged in some quarters but even if a somewhat smaller population figure is accepted, Nigeria still has more people than any other country in Africa.

In 1964 Nigeria had a Gross National Product of $4.4 billion. Depending on the population figure used, this would give a per capita GNP of between $75 and $100.

Agriculture.—Nigeria's south coast faces the Gulf of Guinea (Atlantic Ocean). The coastal climate is rather uniformly hot and humid; more rain falls here than elsewhere in Nigeria. The area is well suited to tropical tree crops, chiefly oil palms and rubber in Eastern and Mid-Western Nigeria and cocoa and kola nuts in Western Nigeria. Yams and cassava are major food crops.

Northward, the elevation rises to about 2,000 feet and rainfall becomes lighter and seasonal. Some oil palms grow here but only along the courses of streams. This area is known as the middle belt and furnishes food to other areas, both north and south.

Still further north, the country has a long dry season, with temperatures reaching as high as 120°F. While this area would seem unfavorable to agriculture, it is here that Nigeria's huge peanut crop is grown, as well as its important cotton crop. Here, too, graze most of Nigeria's cattle. Sorghum and millet are more commonly grown and eaten in this area than other food crops.

Agricultural production in Nigeria shows a slow, steady upward trend. According to the USDA index, agricultural production in 1966 was 19 percent greater than in 1957-59, while per capita production was up 1 percent.

Food situation.—Nigeria is largely self-sufficient in food; only 1 to 2 percent of the daily calories consumed are from imported foods. Even during the recent political disturbances, Nigeria was able to feed its refugees without requesting help from foreign countries.

Daily per capita food consumption (1959-61 average) was estimated at 2,450 calories, of which 47 percent were obtained from starchy root crops (cassava, yams, cocoyams, etc.). While the average Nigerian gets enough to eat as far as calories are concerned, he does not eat enough protein. The chief food imports are fish, wheat for milling, sugar, and milk.

Foreign trade.—Nigeria is one of the world's important exporters of farm products. In 1965, out of total exports of $728 million, farm exports were valued at 64 percent, or $463 million. Chief agricultural exports were peanuts and peanut products, valued at $149 million; cocoa beans, $120 million; oil palm produce, $113 million; rubber, $31 million; cotton, $22 million; and hides and skins $13 million. Nigeria has recently become a major producer of petroleum, reducing the country's dependence on agriculture for its national wealth.

During 1965, Nigeria's total recorded imports were valued at $722 million, of which 7 percent, or $51 million, were of agricultural commodities. Chief farm imports were dairy products, wheat, sugar, fruits and vegetables, unmanufactured tobacco, and beer and wine. In addition, about 100,000 cattle are imported yearly.

Agricultural trade with the U.S.—The United States in 1965 exported commodities worth $74.2 million to Nigeria. Of this amount, $9.3 million were agricultural products, chiefly wheat ($4.7 million) and unmanufactured tobacco ($2.4 million).

In that same year, the United States imported from Nigeria commodities valued at $58.0 million, including agricultural products valued at $37.5 million. Chief among these were cocoa beans worth $27.4 million; hides and skins, $4.8 million; and rubber, $4.3 million.

Factors affecting agricultural trade with the U.S.—Under the terms of the Niger Convention and GATT, Nigeria —in theory—has always been free to trade with the United States. However, in actual practice, Nigerian imports from the United States have been partially restricted by means of specific import licenses and currency allocations.

U.S. exporters are watching with considerable interest Nigeria's entry into the European Common Market (EEC) as an associate member.

Except for some shipments under Title III (food donation programs) no shipments of agricultural commodities under Public Law 480 have been sent from the United States.

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